GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:624
ANSWERED ON:21.02.2003
INCOME TAX REBATE
RAMDAS ATHAWALE;SHYAMA SINGH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Income Tax Department has given rebate under Section 89(1) of the Income Tax Act, 1961, to persons opted VRS during 2000 and 2001;

(b) if so, the details thereof and if not, the reasons therefor;

(c) whether keeping in view the decision of Hon`ble Madras HighCourt in the case of Commissioner of Income Tax Vs. J. Visalakshi on 25.11.1993 vide I.T.R. Vol. 206, page No. 531 that the ex-gratia compensation received by the assessees consequent on his resignation or V.R.S. is entitled to the relief Section 89 (1) of the IT Act;

(d) if so, whether the Government have extended such relief to all such assessees;

(e) if so, the details thereof; and

(f) if not, the reasons and justification thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN)

(a) to (f): The matter regarding eligibility of relief under Section under Section 89(1) of the Income Tax Act, 1961, onamounts of compensation received in excess of limit prescribed under Section 10(10C) of the Act, to persons who opted for VRSis being examined in consultation with Ministry of Law.